

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 557 - SB 681

March 11, 2013

SUMMARY OF BILL: Enacts the “Safe Schools Act of 2013”. Requires every public school within the local education agency (LEA), upon two-thirds affirmative vote by the municipal or county governing body, to employ at least one school resource officer (SRO), beginning in the 2014-15 school year. Declares that additional SROs may only be employed following such affirmative vote of the governing body. Authorizes local governments to opt out of these provisions at any time with a subsequent two-thirds affirmative vote. Declares that SRO positions shall become part of the Basic Education Program (BEP) funding formula for the non-classroom component, if local governments opt into the provisions of the bill, which divides the total cost 50-50 between the state and LEA.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures –

Exceeds \$18,375,000/BEP/FY14-15 and Subsequent Years

Increase Local Expenditures –

Exceeds \$875,000/BEP/FY14-15 and Subsequent Years/Permissive

Decrease Local Expenditures –

\$17,500,000/FY14-15 and Subsequent Years/Permissive

Assumptions:

- There are 1,784 schools in Tennessee and an estimated 700 SROs.
- Based on information received from DOE, the average cost for a SRO including salary, training, benefits, and equipment is between \$50,000 and \$75,000.
- The minimum expenditure for each new SRO employed is reasonably estimated to be \$50,000 per year (including salary, benefits and required training).
- The funding ratio for the non-classroom component of the BEP is 50-50 state and local respectively.
- LEAs whose government or school board opt-in will receive funding through the BEP for an SRO in every school within the district.
- It is estimated that LEAs in which the current 700 SROs are employed will opt into the program in order to receive state matching funds. As a result, the recurring increase in state expenditures in beginning in FY14-15 is estimated to be \$17,500,000 (700 x

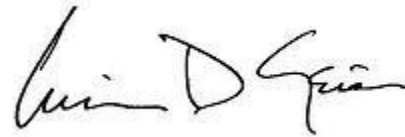
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\$50,000 x 50% state portion). The corresponding and recurring decrease in local expenditures is estimated to be \$17,500,000 (current local funding for these current positions is considered 100 percent permissive local funds and not expenditures associated with the BEP funding formula).

- A minimum five percent increase in the number of SROs for schools located within LEAs that opt in to the provisions of this bill.
- The minimum number of additional SROs is reasonably estimated to be 35 (700 x 5%).
- The minimum recurring increase in state expenditures for new SROs is estimated to be \$875,000 (35 x \$50,000 x 50% state portion). The minimum corresponding and recurring increase in local expenditures for new SROs is estimated to be \$875,000 (this recurring increase in local expenditures is considered the local portion of the BEP funding formula).
- The total recurring increase in state expenditures is estimated to exceed \$18,375,000 (\$17,500,000 + \$875,000).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Lucian D. Geise, Executive Director

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